



***United States Attorney
District of New Jersey***

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**CVS PAYS NEARLY \$1 MILLION TO RESOLVE ALLEGATIONS OF BILLING
FEDERAL HEALTH CARE PROGRAMS FOR PRESCRIPTIONS FILLED
BY EXCLUDED PHARMACIST**

NEWARK, N.J. – The U.S. Attorney’s Office has entered into a settlement agreement with CVS pharmacies in New Jersey and New York to settle allegations that they billed federal health care programs for prescriptions filled by an excluded pharmacist, U.S. Attorney Paul J. Fishman announced.

From approximately September 20, 2005, through July 31, 2009, two CVS Albany, L.L.C. stores and a New Jersey CVS Pharmacy, L.L.C. store (the “Companies”) submitted or caused to be submitted claims for payment to the TRICARE and Medicare programs for prescription medications that were filled by Athanasios Mastrokostas, a pharmacist excluded from participating in federal health care programs.

The government considers these claims for payment to be false, because they would not have been paid had the government known they were filled by an excluded pharmacist. The settlement announced today represents a recovery of double damages for all claims paid by Medicare and TRICARE for prescriptions filled by Mastrokostas at the CVS stores.

The civil settlement agreement is between the United States of America – acting through the United States Department of Justice and on behalf of the Office of Inspector General of the United States Department of Health and Human Services (HHS OIG) and the TRICARE Management Activity – and the Companies.

In resolution of the government’s civil and administrative claims, the companies have agreed to pay \$969,230 to the United States. Among other things, the companies also have agreed not to seek payment for any of the health care billings covered by the agreement from any health care beneficiaries.

The settlement forgoes the need to file suit against CVS.

U.S. Attorney Fishman credited special agents of HHS OIG, under the direction of Special Agent in Charge Thomas ODonnell of the New York Regional Office, for the investigation leading to today’s settlement.

The government is represented by Assistant U.S. Attorney Alex Kriegsmann of the U.S. Attorney’s Office Civil Division.

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Defense counsel: Heidi A. Sorenson, Esq., Washington, D.C.